

# Economics of Payments II

## Conference Agenda

### Wednesday, March 29

8:15 a.m. Continental breakfast

8:45 a.m. Introductory remarks by Timothy Geithner, President, Federal Reserve Bank of New York

9:00 a.m. Invited Lecture  
*Central Bank Credit in the Theory of Money and Payments*  
Jeffrey Lacker, President, Federal Reserve Bank of Richmond

10:00 a.m. Break

10:30 a.m. **Session I: Payments in a Historical Perspective**  
Chair: John A. Weinberg, Federal Reserve Bank of Richmond

*Towards a More Perfect American Payments Union: The Civil War as a Political Economic Watershed*  
John James, University of Virginia, and David Weiman, Barnard College, Columbia University

Discussant: Bruce Champ, Federal Reserve Bank of Cleveland

*Payment Systems and the Collapse of the Banking System during the Great Depression*  
Gary Richardson, University of California, Irvine

Discussant: Joseph Mason, Drexel University

Noon Lunch

2:00 p.m. **Session II: Theoretical Studies of Payments, Past and Present**  
Chair: Sujit Chakravorti, Federal Reserve Bank of Chicago

*A Model of Banknote Discounts*  
Laurence Ales, Francesca Carapella, Pricila Maziero, and Warren Weber, Federal Reserve Bank of Minneapolis and University of Minnesota

Discussant: François Velde, Federal Reserve Bank of Chicago

*Policy in International Payment Systems with a Timing Friction*  
James Chapman, University of Iowa

Discussant: Hiroshi Fujiki, Bank of Japan

3:30 p.m. Break

4:00 p.m. **Session III: Studies of Wholesale Payment Systems**  
Chair: David Mills, Board of Governors of the Federal Reserve System

*A Dynamic Model of Settlement*  
Thorsten Koepl, Queen's University; Cyril Monnet, European Central Bank; and Ted Temzelides, University of Pittsburgh

Discussant: Nobuhiro Kiyotaki, London School of Economics and Federal Reserve Bank of New York

*Optimal Settlement Rules for Payment Systems*  
Benjamin Lester, University of Pennsylvania; Stephen Millard and Matthew Willison, Bank of England

Discussant: James Bullard, Federal Reserve Bank of St. Louis

5:30 p.m. Reception

### **Thursday, March 30**

8:30 a.m. Continental breakfast

9:00 a.m. **Session I: Choice of Payments by Consumers**  
Chair: Richard Porter, Federal Reserve Bank of Chicago

*How People Pay: Evidence from Grocery Store Data*  
Elizabeth Klee, Board of Governors of the Federal Reserve System

Discussant: Joanna Stavins, Federal Reserve Bank of Boston

*The Choice at the Checkout: Quantifying Demand across Payment Instruments*  
Ronald Borzekowski and Elizabeth Kiser, Board of Governors of the Federal Reserve System

Discussant: David Bounie, École Nationale Supérieure des Télécommunications

- 10:30 a.m. Break
- 11:00 a.m. Invited Lecture  
Charles Kahn, Bailey Memorial Chair of Money, Banking, and Finance,  
University of Illinois
- Noon Lunch
- 1:30 p.m. **Session II: Pricing of Retail Payments Methods**  
Chair: Stuart Weiner, Federal Reserve Bank of Kansas City
- The Effect of Transaction Pricing on the Adoption of Electronic Payments:  
A Cross-Country Comparison*  
Wilko Bolt, De Nederlandsche Bank; David Humphrey, Florida State  
University; and Roland Uittenbogaard, De Nederlandsche Bank
- Discussant: Andrew Stone, Reserve Bank of Australia
- The Cost of Being Late: The Case of Credit Card Penalty Fees*  
Nadia Massoud, University of Alberta; Anthony Saunders, New York  
University; and Barry Scholnick, University of Alberta
- Discussant: Marc Fusaro, East Carolina University
- 3:00 p.m. Break
- 3:30 p.m. **Session III: The Credit Card Debt Puzzle**  
Chair: Paula Hernandez, Texas A&M University
- A Model of Money and Credit with Application to the Credit Card Debt  
Puzzle*  
Irina Telyukova and Randall Wright, University of Pennsylvania
- Discussant: Ed Nosal, Federal Reserve Bank of Cleveland
- 4:15 p.m. Close